

Message Text

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PAGE 01 STATE 114122
ORIGIN EA-12

INFO OCT-01 ISO-00 TRSE-00 OMB-01 PM-05 DODE-00 A-01
NSCE-00 SS-15 /035 R

DRAFTED BY EA/TIMBS:DPSULLIVAN:CCH
APPROVED BY EA:ECOLBERT
TREASURY:CCROSSWHITE
OMB:JEISENHOUR
PM:RERICSON
EA/TIMBS:REFRITTS
DOD/DSAA:JEHARTSOCK

-----021237 042149Z /66

O 042128Z MAY 78 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA NIACT IMMEDIATE
AMEMBASSY BANGKOK NIACT IMMEDIATE

C O N F I D E N T I A L STATE 114122

PASS VICE PRESIDENT'S PARTY

E.O. 11652: GDS

TAGS: OVIP (MONDALE, WALTER F.), ID

SUBJECT: VICE PRESIDENT'S TRIP - ISSUES IN INDONESIA:
FMS CREDIT TERMS

REF: JAKARTA 5741

1. CONCERNED WASHINGTON AGENCIES HAVE REACHED AGREEMENT
THAT INDONESIANS MAY BE OFFERED FOLLOWING CHOICE ON
SUBJECT OF FMS CREDIT TERMS FOR FY 1978: EITHER (A) TOTAL
OF NINE YEARS TO REPAY INCLUDING SIX MONTH GRACE PERIOD,
OR (B) CONTINUATION OF TERMS APPLICABLE FOR FY 1977, I.E.,
TOTAL OF NINE YEARS TO REPAY INCLUDING TWO YEAR GRACE
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PERIOD. IN PRESENTING CHOICE, IT SHOULD BE POINTED OUT
TO INDONESIANS THAT SHORTER GRACE PERIOD IN FIRST OPTION
COULD BE BENEFICIAL IN LONG RUN BY REDUCING AMOUNTS OF
INDIVIDUAL SEMI-ANNUAL PAYMENTS.

2. TALKING POINT ON THIS SUBJECT SHOULD BE REVISED
AS APPROPRIATE.

3. IN ADDITION, BACKGROUND PORTION OF RELEVANT SECTION OF ISSUES PAPER MAY BE SIMILARLY REVISED TO INCLUDE THE FOLLOWING:

QUOTE: OUR ANALYSIS OF THE PRESENT INDONESIAN BALANCE OF PAYMENTS POSITION INDICATES IT IS GOOD BUT WITH A POSSIBILITY OF DETERIORATION IN SUBSEQUENT YEARS DEPENDING ON OIL EXPORTS. THUS IT MIGHT SEEM APPROPRIATE TO START FMS REPAYMENTS IMMEDIATELY SO THAT PAYMENTS WOULD BE SMALLER IN LATER YEARS. UNQUOTE. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE114122
Document Source: CORE
Document Unique ID: 00
Drafter: DPSULLIVAN:CCH
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780191-0366
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780592/aaaadalb.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 JAKARTA 5741
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2789475
Secure: OPEN
Status: NATIVE
Subject: VICE PRESIDENT'S TRIP - ISSUES IN INDONESIA: FMS CREDIT TERMS
TAGS: OVIP, ID, (MONDALE, WALTER F)
To: JAKARTA BANGKOK
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2dd498a4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014